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Former Chunghwa CEO Charged With CRT Price Fixing

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The former chairman and CEO of Chunghwa Picture Tubes has been indicted on charges related to a global price-fixing conspiracy for CRTs (cathode ray tubes) used in computer monitors and televisions, the U.S. Department of Justice announced.

Cheng Yuan Lin, a resident of Taiwan, was indicted on two counts Tuesday by a grand jury in U.S. District Court for the Northern District of California in San Francisco. Lin is charged with violating the Sherman Act, a U.S. antitrust law, which carries a maximum penalty of three years in prison and a fine of US\$350,000 for violations occurring before June 22, 2004.

On Feb. 3, Lin was indicted for his alleged participation in a separate conspiracy to suppress and eliminate competition by fixing the prices of thin film transistor-liquid crystal display (TFT-LCD) panels. Six other executives from Chunghwa and LG Electronics have been indicted for LCD price fixing.

The new indictment charges Lin with conspiring with others to suppress and eliminate competition by fixing prices, reducing output and allocating market shares of color display tubes (CDTs), a type of CRT, to be sold in the U.S. and elsewhere. The conspiracy started as early as January 1997 and last until April 2003, the DOJ said.

The indictment also charges Lin with conspiring with others to suppress and eliminate competition by fixing prices for color picture tubes (CPTs) from 1997 to 2003.

The worldwide market for CRTs, including CPTs and CDTs, in 1997, at the start of the conspiracies is estimated at \$26 billion, the DOJ said.

Lin and others involved in the conspiracy met several times to discuss what prices to charge for CDTs, the DOJ alleged. The conspirators exchanged CDT sales, production, market share and pricing information in an effort to enforce the agreed-upon prices, the DOJ said.

The companies involved allowed each other to visit their production facilities to verify that CDT production lines had been shut down as agreed, the DOJ said in a news release.

This case is part of an ongoing joint investigation by the San Francisco Field Office of the DOJ's Antitrust Division and the U.S. Federal Bureau of Investigation in San Francisco.

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